

ADMINISTRATION AND FINANCE COMMITTEE

DATE: October 18, 2011

CALLED TO ORDER: 5:30 p.m.

ADJOURNED: 6:21 p.m.

ATTENDANCE

ATTENDING MEMBERS

Marilyn Pfisterer, Chairwoman
Bob Cockrum
Susie Day
Maggie Lewis
Barbara Malone
Jackie Nytes
Joanne Sanders

ABSENT MEMBERS

AGENDA

PROPOSAL NO. 286, 2011 - transfers and appropriates a total of \$8,124,724 in the 2011 Budget of the Office of the Mayor, Office of Finance and Management, Office of Corporation Counsel, Marion County Treasurer, Marion County Surveyor and Information Services Agency (Debt Service, Federal Grants, Consolidated County, County General, Endorsement Fee, Enhanced Access and Perpetuation Funds) for various uses, funded by new revenues not previously appropriated, reductions of appropriations, and fund balances
"Do Pass" Vote: 7-0

PROPOSAL NO. 287, 2011 - determines the need to lease approximately 8,642 square feet of space at the Indiana State Fairgrounds, Discovery Hall, for use by the Marion County Cooperative Extension Services
"Do Pass" Vote: 7-0

ADMINISTRATION AND FINANCE COMMITTEE

The Administration and Finance Committee of the City-County Council met on Tuesday, October 18, 2011. Chairwoman Marilyn Pfisterer called the meeting to order at 5:30 p.m. with the following members present: Bob Cockrum, Susie Day, Maggie Lewis, Barbara Malone, and Joanne Sanders. Jackie Nytes arrived shortly thereafter. General Counsel Robert Elrod represented Council staff.

PROPOSAL NO. 286, 2011 - transfers and appropriates a total of \$8,124,724 in the 2011 Budget of the Office of the Mayor, Office of Finance and Management, Office of Corporation Counsel, Marion County Treasurer, Marion County Surveyor and Information Services Agency (Debt Service, Federal Grants, Consolidated County, County General, Endorsement Fee, Enhanced Access and Perpetuation Funds) for various uses, funded by new revenues not previously appropriated, reductions of appropriations, and fund balances

Jeff Seidenstein, Office of Finance and Management (OFM), gave a brief presentation (attached as Exhibit A) regarding Proposal No. 286, 2011. He said that this proposal amends the 2011 budget ordinance with transfers and grant appropriations as an end-of-the-year clean-up ordinance. He said that the proposal was originally submitted with some additional items, but it was split up into several ordinances to be heard by the different committees to which the agencies and departments normally report.

Councillor Cockrum asked if the other committees will also be hearing Proposal No. 286, 2011. Mr. Seidenstein said that they will be hearing separate proposals, as General Counsel Robert Elrod and Council Chief Financial Officer James Steele separated the originally submitted proposal into separate proposals before introduction. Each proposal was then referred to a separate committee.

Councillor Malone asked if the economic development revenue bonds usually come before this committee. Mr. Seidenstein said that they are part of the debt service funds, and do come before this committee during the budget process.

Mr. Seidenstein introduced two new fiscal analysts in OFM, which the committee will be seeing more often in future meetings: Becky Motsinger and Ciara Leath. Chairwoman Pfisterer welcomed Ms. Motsinger and Ms. Leath.

Mr. Seidenstein reviewed the fiscal impact and stated that \$141,700 will come from new grant revenues; \$244,280 is made up of character transfers and appropriation reductions; \$7,243,734 comes from the use of accumulated tax increment financing (TIF) district revenues; \$362,340 from accumulated stormwater revenues; and \$132,670 comes from fund balances. He reviewed the various impacted departments, agencies and funds. He said that all of the bond issuances under the debt service portion of this proposal have previously been approved by the Council, and they are simply asking to appropriate the funds to start making debt service payments on these bonds. The economic development revenue bonds are being used for three main projects: Cityway

(which was originally called North of South) on the near southeast side of downtown, the Indiana University Health neuro-science building on the west side near the Clarian complex, and the refunding of a prior bond issuance at a better interest rate for the Harding Street TIF on the southwest side of downtown.

Councillor Malone said that having served on the Economic Development Committee, it seems that committee would have been a more appropriate place to hear the debt service portion. Mr. Seidenstein said that the appropriations for the debt service portion of the budget are heard by the Administration and Finance Committee, even though the Economic Development Committee might have heard the proposals for the initial bond projects.

{Clerk's Note: Councillor Nytes arrived at 5:40 p.m.}

Councillor Sanders asked if the Harding Street TIF is technically the downtown TIF. Kyle Willis, Indianapolis-Marion County Bond Bank, responded in the affirmative and said that the Harding Street TIF is now included in the Consolidated TIF, which encompasses all of downtown. {Clerk's Note: Later clarification by Deron Kintner, Bond Bank Executive Director, indicated that the Harding Street TIF and the Consolidated TIF are both part of the same designated Economic Development Area, but they are actually two separate allocation TIF areas.}

Mr. Seidenstein said that the Mayor's Office appropriation is for job training for the successful re-entry of ex-offenders into the workplace. He said that this is a new grant, with no matching tax dollars. Councillor Malone asked who the grantor is for these funds. Mr. Seidenstein said that this is the city's portion of a project by Workforce, Inc.

Mr. Seidenstein continued with his presentation as detailed in Exhibit A, reviewing the appropriations and transfers for OFM, the Office of Corporation Counsel (OCC), the Marion County Treasurer and Surveyor, and Information Services Agency.

Councillor Nytes asked, since these are all related to the 2011 budget, if any changes in fund balance or spending reductions were reflected in the 2012 budget numbers approved by the Council last evening. Mr. Seidenstein said that the debt service portion was included in the budget, and most of the other areas, except for the Surveyor's appropriation, are zero net fiscal impacts. He said that the Surveyor's expected ending fund balance for their Perpetuation Fund for 2011 is \$857,000, and this new appropriation uses \$37,000 of that balance.

Mr. Seidenstein said that the Information Services Agency (ISA) appropriations will pay for three projects: software changes for OCC to put contracts on the website; e-billing provisions for more public access on the website for the Treasurer's Office, and funds to allow for better online permitting for the Department of Code Enforcement (DCE).

Councillor Nytes said that historically, she believes the Council enacted a rule that required every proposal regarding an appropriation that affected a fund balance include the remaining fund balance in the proposal. She asked about ISA's fund balance and the effect of this appropriation. Mr. Seidenstein said that ISA's projected fund balance is \$1.2 million at the end of next year, so this appropriation should not be a problem.

Councillor Cockrum asked if the flood revenue bonds are coming out of the stormwater utility funding. Mr. Seidenstein responded in the affirmative and said that this is revenue that the city receives from stormwater fees that homeowners pay. Councillor Cockrum asked what the projected fund balance is for this fund. Mr. Seidenstein said that he believes this was factored into next year's budget, and the fund balance shown for the end of next year is only \$32,000. However, new revenues will be coming from the stormwater fund with a distribution of more funds, and the balance projected in the stormwater fund for the end of next year is \$10.3 million.

Councillor Cockrum moved, seconded by Councillor Malone, to send Proposal No. 286, 2011 to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 7-0.

Councillor Nytes said that she noticed Mr. Seidenstein referring to a spreadsheet for the fund balance amounts, and asked if the committee members can get a copy of this summary spreadsheet. Mr. Seidenstein said that these numbers come straight from the 16-line statements in the budget, but he would be happy to provide the committee with a copy of the summary spreadsheet.

PROPOSAL NO. 287, 2011 - determines the need to lease approximately 8,642 square feet of space at the Indiana State Fairgrounds, Discovery Hall, for use by the Marion County Cooperative Extension Services

Chairwoman Pfisterer thanked Ron Hoyt, Director, Cooperative Extension Services (Extension), for e-mailing the committee members with information prior to this meeting for their review. She said that this was very helpful.

Mr. Hoyt introduced Davida Hutson, fiscal deputy; John Vandenburg, representative from the commercial real estate firm who secured this lease; Pat Burger, State Fair representative and proposed landlord; and Jeannette Smith, president of the Extension board. He provided a brief powerpoint presentation (Exhibit B) regarding this lease process. Mr. Hoyt said that the Extension receives their funding through three partners: the federal partner is the United States Department of Agriculture (USDA); the state partner is Purdue University; and the local partner is Marion County. He added that state statute specifically states what part of their funding local government provides, and office space is one of those functions of local funding as per IC 20-12-42.1. He said that their 10-year lease expires at the end of 2011, and their current approved budget for 2012 does not support remaining at that location with the new lease requirements. He said that parking and square footage for meeting rooms is a big issue when looking

at potential locations, because of the needs of some of the programs they run. He added that they also wanted to be closer to the clients they serve, which are predominantly located in the southern borders of Marion County. Their current location is on the northwest side, and the new location would be in Center Township, much closer to these clients and more centrally located. Mr. Hoyt reviewed the timeline and real estate search process. Mr. Vandenburg, CB Richard Ellis, said that the parking element was critical and drove the search for locations. He added that their budgeted number for rent was reduced, which caused them to re-evaluate. He said that the fairground location best meets the criteria with plenty of free parking, and this is an aggressive deal from a rental rate perspective. Mr. Hoyt continued with the presentation, explaining the fiscal impact and the advantages provided by the new location.

Councillor Nytes said that she is immensely excited about having the Extension based closer at the fairgrounds. She asked, with the space being on the second floor, if the office is accessible for those with disabilities. Mr. Hoyt responded in the affirmative and stated that the building is fitted with an elevator.

Chairwoman Pfisterer asked if there is a process in place to allow the Extension's clients to enter the fairgrounds without paying an entry fee. Mr. Hoyt said that they have made arrangements, and will be operating on an honor system with signage to make it easy to find the Extension office. Chairwoman Pfisterer stated that they can help with the entry process by providing the gatekeepers with a list of events, so that they are aware of visitors upon arrival. Mr. Hoyt agreed and said that they are planning to do just that.

Councillor Malone commended Mr. Hoyt on his presentation, and said that it is probably a model presentation that others can learn from when presenting a need to lease space before this committee.

Mr. Burger said that on behalf of the State Fair Commission, the fairgrounds is thrilled to have the Extension as a tenant. He said that they share primarily the same mission, and they are excited about the possibilities for synergies.

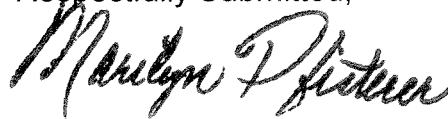
Councillor Nytes moved, seconded by Councillor Day, to send Proposal No. 287, 2011 to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 7-0.

Mr. Hoyt provided some photo displays of the proposed new space and stated that it will be a beautiful facility. Councillor Cockrum asked if the Extension will host an open house. Mr. Hoyt responded in the affirmative. He added that he did some research for Councillor Cockrum regarding his comments in a previous committee meeting about long distance calls to the Extension, and there are no prefixes in Indianapolis that will be long distance from this new location.

Councillor Sanders asked if the Extension was located in the City-County Building years ago. Mr. Hoyt said that they were originally located in this building, and then moved to a location on North Meridian Street, and then 10 years ago up to Intech Park.

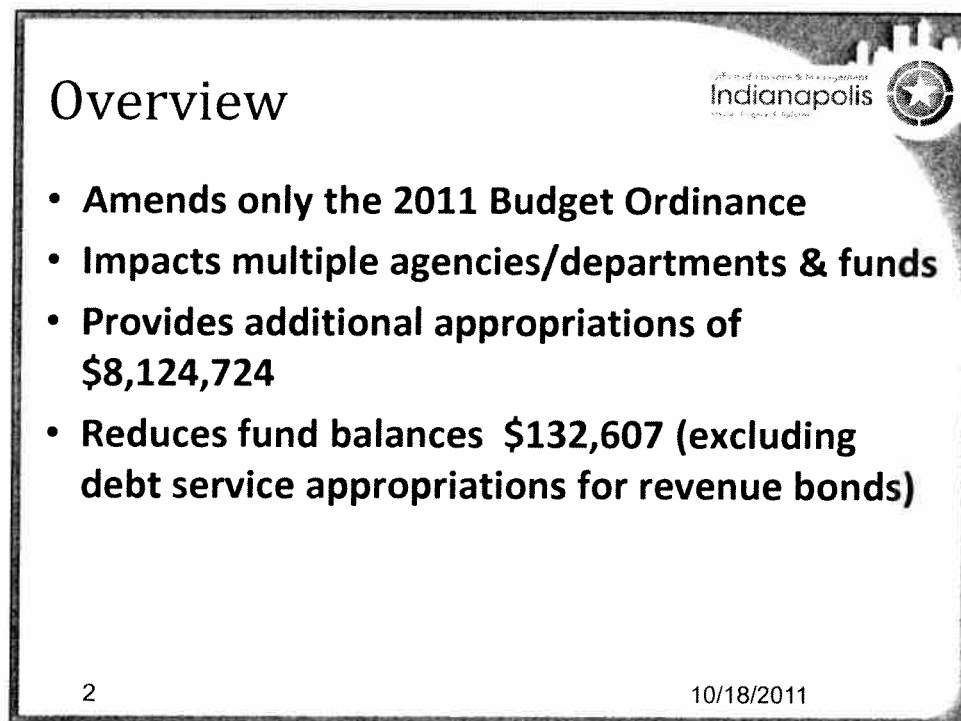
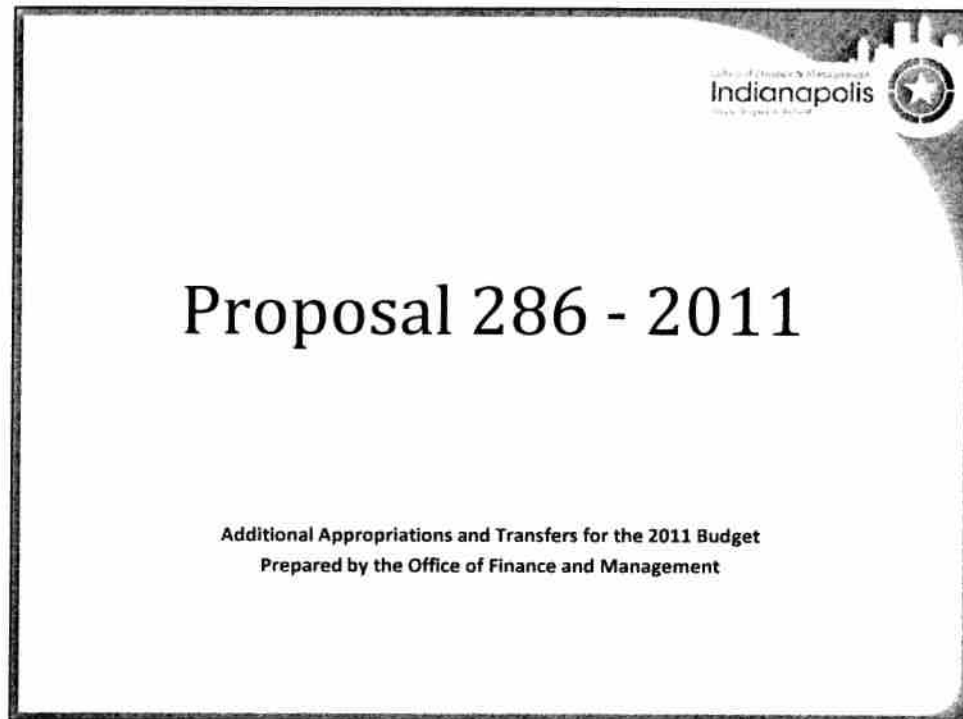
There being no further business, and upon motion duly made, the meeting was adjourned at 6:21 p.m.

Respectfully Submitted,

A handwritten signature in cursive script, reading "Marilyn Pfisterer".

Marilyn Pfisterer, Chairwoman

MP/ag



Fiscal Impact

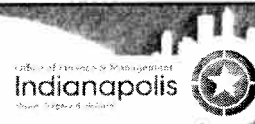


| | |
|--|--------------------|
| Total Additional Appropriations (gross) | \$8,124,724 |
| New Grant Revenues | - \$141,700 |
| Character Transfers & Appropriation Reductions | - \$244,280 |
| Use of Accumulated TIF Revenues | - \$7,243,734 |
| Use of Accumulated Storm Water Revenues | - <u>\$362,340</u> |
| Use of Fund Balance (net) | \$132,670 |

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10/18/2011

Impacted Departments/Agencies



City Departments: Office of the Mayor, Office of Finance & Management, and Office of Corporation Counsel

County Agencies: Marion County Treasurer, Marion County Surveyor, Information Services Agency

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10/18/2011

Impacted Funds



**City Funds: Various Revenue Bonds, Federal Grants,
and Consolidated County**

**County Funds: County General, Endorsement Fee,
Enhanced Access, and Surveyor's Corner Perpetuation**

5

10/18/2011

Section 2 – Debt Service



- Increases appropriation to pay principal and interest due obligations of special taxing districts (i.e. flood control and TIF)

| Flood Revenue Bonds Fund | |
|--------------------------|-----------|
| Changes in Appropriation | |
| CHR 3 | \$362,340 |

| Economic Development Revenue Bonds Fund | |
|---|-------------|
| Changes in Appropriation | |
| CHR 3 | \$5,355,970 |

| TIF Revenue Bonds Fund | |
|--------------------------|-------------|
| Changes in Appropriation | |
| CHR 3 | \$1,887,764 |

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10/18/2011

Section 3 – Mayor's Office



- Increases appropriation in the Federal Grants Fund to implement job training programs for the successful re-entry of ex-offenders

| Federal Grants Fund | |
|--------------------------|-----------|
| Changes in Appropriation | |
| CHR 2 | \$500 |
| CHR 3 | \$141,200 |

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10/18/2011

Section 4 – Office of Finance & Management



- Transfer among characters in Consolidated County Fund to pay contractual expenses related to the annual city-county audit

| Consolidated County Fund | |
|--------------------------|-------------|
| Changes in Appropriation | |
| CHR 1 | (\$115,000) |
| CHR 2 | (\$1,000) |
| CHR 3 | \$118,000 |
| CHR 4 | (\$2,000) |
| CHR 5 | (\$800) |
| Fiscal Impact | |
| Change in Fund Balance | \$0 |

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10/18/2011

Section 5 – Office of Corporation Counsel

- Transfer between characters in Consolidated County Fund to pay for outside legal counsel for assistance with the defense of major lawsuits

| Consolidated County Fund | |
|--------------------------|------------|
| Changes in Appropriation | |
| CHR 1 | (\$85,000) |
| CHR 3 | \$85,000 |
| Fiscal Impact | |
| Change in Fund Balance | \$0 |

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10/18/2011

Section 6 – Treasurer

- Transfer between characters in the County General Fund to pay for a currency screener

| County General Fund | |
|--------------------------|-----------|
| Changes in Appropriation | |
| CHR 2 | (\$3,500) |
| CHR 4 | \$3,500 |
| Fiscal Impact | |
| Change in Fund Balance | \$0 |

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10/18/2011

Section 7 – Surveyor



Increases appropriations and transfer of appropriation between the Endorsement Fee & Enhanced Access funds to purchase GIS equipment & to scan old documents

| Endorsement Fee Fund | |
|--------------------------|------------|
| Changes in Appropriation | |
| CHR 3 | \$20,000 |
| CHR 4 | (\$36,980) |
| Fiscal Impact | |
| Change in Fund Balance | \$16,980 |

| Enhanced Access Fund | |
|--------------------------|------------|
| Changes in Appropriation | |
| CHR 4 | \$36,980 |
| Fiscal Impact | |
| Change in Fund Balance | (\$36,980) |

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10/18/2011

Section 8 – Surveyor



- Increases appropriation in the Surveyor's Corner Perpetuation Fund to partially fund the purchase two trucks & a scanner/printer to accommodate large maps

| Surveyor's Corner Perpetuation Fund | |
|-------------------------------------|------------|
| Changes in Appropriation | |
| CHR 4 | \$37,000 |
| Fiscal Impact | |
| Change in Fund Balance | (\$37,000) |

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10/18/2011

Section 9 – Information Services Agency

Office of Financial Management
Indianapolis
Mayor Gregory A. Ballard



- Increases appropriation in the Enhanced Access Fund to provide for public access to redacted contracts, to the new e-bill system, and to on-line permits

| Enhanced Access Fund | |
|--------------------------|------------|
| Changes in Appropriation | |
| CHR 3 | \$75,760 |
| Fiscal Impact | |
| Change in Fund Balance | (\$75,760) |

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10/18/2011

Proposal 286- 2011

Office of Financial Management
Indianapolis
Mayor Gregory A. Ballard



Questions?

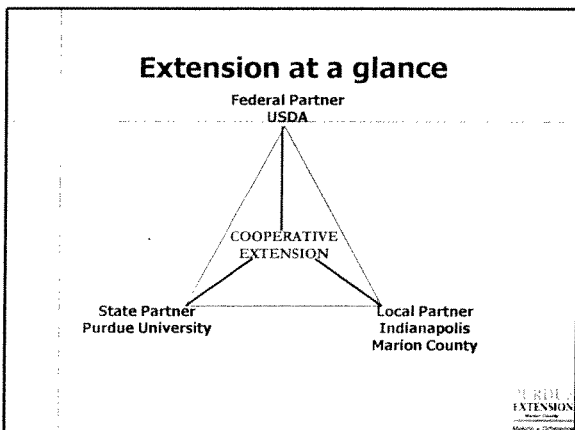
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10/18/2011

Indianapolis City/County Council
Administration and Finance
Committee
Proposal to Lease Space
 October 18, 2011

Ronald W. Hoyt
 County Extension Director

PURDUE
EXTENSION
 Marion County
 Making a Difference



Extension at a glance

Federal Partner
USDA


State Partner
Purdue University

COOPERATIVE
EXTENSION

- Shared Educator Salary
- Full Educator Fringe Benefit Costs
- Expanded Foods & Nutrition Program
- Family Nutrition Program for Seniors
- 4-H Youth Development Program Support
- Specialist/Research support
- Educational material development
- Staff Development
- T-3 connectivity and support
- Urban Garden program support

PURDUE
EXTENSION
 Marion County
 Making a Difference


Extension at a glance



Local Partner
Indianapolis/Marion County


- Support Staff salary & fringes
- Shared Educator Salary
- Office space (Rent) IC 20-12-42.1
- Office equipment
- Office Supplies
- Mileage expense

Infrastructure




Need to Relocate

- Lease on Current space at Intech Park expires 12/31/2011
- Budget no longer supports the level of funding necessary to remain at current location
 - Char 3 Rent 2004 – \$285,367 (32.5 FTE)
 - Char 3 Rent 2010 - \$136,000 (30.0 FTE)
 - Char 3 Rent 2012 - \$ 95,000 (29.0 FTE)
- Negotiations with current landlord failed to produce a workable right-sized solution to our needs
- Board and staff's desire to be more accessible to the clients we serve



Developed Criteria

- Located in Marion County
- Close proximity to an interstate
- Training room for 70 – 100 people with proper lighting controls and support for technology
- Demonstration kitchen
- Space to accommodate volunteers
- Enough space to provide for a healthy, productive work environment and allow for future flexibility
- Adequate free parking reasonably close to office area, able to routinely accommodate meetings/training of 100 people



Relocation Timeline

- **Summer/Fall 2009** established a committee of volunteers to evaluate office locations/ received guidance from Office of Corporation Counsel for office leasing
- **Winter 2009** – began negotiations with current landlord
- **Spring 2010** – began exploration with State Fair Commission
- **Fall 2010** – Retained CB Richard Ellis to assist with process
- **Winter 2010-11** – Committee narrowed list of prospective properties to 8 which were visited
- **Spring 2011** – Draft lease submitted to Office of Corporation Counsel
- **Fall 2011** – Final version of lease received from Office of Corporation Counsel

STATE
EXTENSION
Public Library
Moving a Community

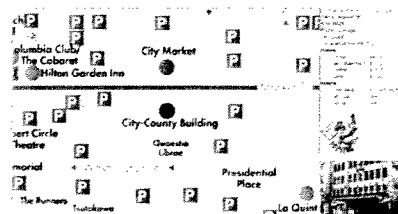
Realtor Assistance

Market Statistics

| Market | Net Available Area SF | Vacancy Rate % | Net Absorption \$/YTD | Availability Rate % | Under Construction SF | Average Asking Rental Rate P/SF |
|---------------------|-----------------------|----------------|-----------------------|---------------------|-----------------------|---------------------------------|
| South Gate | 41,400 | 0.0% | 0 | 100.0% | 0 | \$18.00 |
| Central | 1,115,400 | 2.1% | 147,220 | 1.3% | 1 | \$18.15 |
| Eastman | 2,176,350 | 39.9% | 453,070 | 21.5% | 0 | \$16.58 |
| College Park | 1,140,240 | 1.4% | 111,410 | 9.7% | 1 | \$18.15 |
| Polkville East | 1,276,037 | 30.9% | 3,030 | 24.4% | 0 | \$18.55 |
| Greenwood | 41,100 | 10.0% | 11,510 | 4.1% | 0 | \$14.42 |
| Eastman Crossing | 8,140,440 | 45.4% | 1,130,060 | 11.0% | 0 | \$18.99 |
| Lawrence | 267,240 | 5.5% | 117 | 0.1% | 0 | \$17.13 |
| Hardison Lane Loop | 1,000,500 | 0.0% | 0 | 0.0% | 0 | \$14.76 |
| Subtotal | 19,419,110 | 14.1% | 1,111,661 | 11.1% | 1 | 18.15 |
| North Gatehead | 170,220 | 20.0% | 1,100 | 0.6% | 0 | \$17.42 |
| Polk 100 | 307,140 | 11.4% | 4,210 | 1.4% | 1 | \$15.11 |
| Polk Market | 243,147 | 36.7% | 70,410 | 28.7% | 0 | \$15.89 |
| Lawrence | 11,110 | 1.4% | 11,110 | 1.4% | 0 | \$14.40 |
| Market Total | 21,719,148 | 22.1% | 1,249,731 | 25.8% | 2 | \$16.16 |

STATE
EXTENSION
Public Library
Moving a Community

Realtor Assistance



| | |
|-----------------------|-------------|
| 174 Parking Garage | 190 Month |
| O.B. Lot | 190 Month |
| Marshall Square Lot | \$130 Month |
| 172 E. Washington Lot | \$115 Month |
| Market Lot | \$110 Month |
| 135 E. Market Lot | \$125 Month |
| Average | \$106 Month |

STATE
EXTENSION
Public Library
Moving a Community

Fiscal Impact

| Location | Square Footage | Annual Rent Obligation | Cost per Sq. Foot |
|---|----------------|------------------------|-------------------|
| Current location 6640 Intech Blvd | 12,837 | \$285,367 | \$22.23 |
| Proposed location 1202 E. 38th Street | 8,642 | \$95,000 | \$11.00* |
| City/County Building 200 E. Washington St. | 8,642 | \$94,198 | \$10.90 |
| Community Corrections 140 E. Washington St. | 8,642 | \$114,593 | \$13.26 |
| Other outside space leases Per Paul Smith – property mgr | 8,642 | \$129,630 | \$15.00 avg |

* \$11.00/sqft is the rentable space. Lease includes 1,942 sqft of storage space at no cost making effective rate \$8.99/sqft

EXTENSION
Housing & Community Development

Advantages of Indiana State Fairgrounds

- Ample free, secured parking
- Access to a bus line
- Access to additional meeting room space as needed
- Additional 1,935 square feet of materials storage at no additional cost
- More accessible location to a majority of our clientele
- Synergies in mission with educational focus of Indiana State Fair
- Assistance from Purdue with purchase of furniture
- Excellent fit with the established location criteria
- Least expensive option (\$8.99/ft effective rate with storage included)

EXTENSION
Housing & Community Development

2012 Proposal to Lease Space

Questions?

EXTENSION
Housing & Community Development